

**PILOT LOCAL
GOVERNMENT
PARTNERSHIP PROGRAM**

**CONTRIBUTION TO ACTION
PLAN FOR PILOT LGPP
PARTNER CITY:
OSTROW WIELKOPOLSKI,
POLAND**

Prepared for

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**CONTRIBUTION TO THE LAND MANAGEMENT AND DEVELOPMENT
COMPONENT OF THE ACTION PLAN FOR THE PILOT LGPP PARTNER CITY:
OSTROW WIELKOPOLSKI, POLAND**

The tasks described in this Action Plan have been divided into three broad groups related to the framework, development and initial implementation of the city's strategy for land development and management.

STRATEGY FRAMEWORK

The purpose of this first group of tasks is to establish the necessary institutional, legal, planning and financial frameworks for developing and implementing a city-based strategy for land development and management. Many of these tasks need to be initiated as soon as possible and to be completed within the next two months in order to allow USAID's technical assistance efforts in land management to achieve their optimum benefits.

Institutional Framework

Identify Land Stakeholders and Establish Land Working Group or Task Force

The very first task is to identify the major stakeholders involved in the development and management of land within the city. These stakeholders will most likely include city departments involved in the planning, development, registration and management of land (including for example, the City Architect, Department of Promotion, Department of Land Appraisal, Land Registry, Public Works, etc.), large scale enterprises (including former state run industries, the railroad, privatized factories, etc.), housing and/or agricultural cooperatives, large private landowners etc. A full list of potential stakeholders should be made and the most important stakeholders invited to become participants in the Land Working Group. Particular attention should be given to those stakeholders who can provide important information on land and/or who would be essential in developing and implementing new land management policies and practices. The Land Working Group should be formalized once its members have been identified and have agreed to participate. The number of participants in the working group should be around 10.

Review Agency Mandates

A review of the mandates and operations of all public and private sector agencies related to land development and management should be

implemented while the Land Working Group is being formed. This review should provide a general assessment of the powers and performance of these agencies and operators. Particular attention should be given to any mandate-related overlaps or conflicts that occur between these agencies and to their currently unfulfilled powers and potentials.

Establish Studium Data Needs in Regard to Land

The Working Group on Land should assist the City Planner in determining the land related data to be included in the studium. They should make recommendations on: baseline data needs, spatial frameworks for data disaggregation, key indicators for monitoring the implementation of the new land strategy, institutional responsibilities for generating and managing the desired land related data and material needs and estimated costs for required computer hardware/software, field surveys etc.

Baseline data needs. The Land Working Group and City Architect will determine the land-related baseline data to be developed as part of the studium. Baseline data will be developed from relevant, existing reports and from data acquired by both public and private sector agencies. Meetings should be held with government officials, private real estate developers and bankers to identify other useful sources of information.

Spatial organization of the data. Decisions on the spatial organization of the data will be critical to the understanding and monitoring of the land situation within the city. This organization will be based to a large extent on the ways in which existing data sources are currently aggregated. Data can be related to census districts and/or administrative boundaries for the 10 neighborhoods and then further broken down into areas of more or less homogeneous land patterns and characteristics. The delineation of a "housing topology" based on distinct residential "fabrics" with populations having similar socio-economic conditions can be extremely useful. Housing topology categories can be used to determine true residential densities and to stratify the samples for subsequent household surveys.

Key indicators. Key indicators will be established that can be monitored on a regular basis against baseline conditions. These indicators will be used to gauge the efficiency, equity and environmental soundness of land development strategies and initiatives. Some of these indicators will be taken from the World Bank's Urban Indicators Program in order to be able to make national and international comparisons.

Data management. The Land Working Group will identify and agree upon the most effective procedures to obtain, exchange and disseminate



land related data. Particular attention will be given to making sure that data for the key indicators will be kept up to date. The City Architect and Computer Specialist will take the lead in implementing this activity.

Material requirements. Material requirements for computer software/hardware and for field surveys to fulfill specific data needs should be identified and cost estimates made as soon as possible. Those parts of the studium to be contracted out need to be identified.

Conduct a Workshop on Land Issues and Institutional Responsibilities

A brief workshop will be held to initiate the Land Working Group, to discuss major land issues and to assign institutional responsibilities for providing inputs to the studium and for elaborating the land development and management strategy. This workshop will also identify essential linkages between the land strategy and other city development and management strategies.

Finalize and Adopt the Work Program for Land

Following the workshop, the Land Working Group will finalize and adopt a work program to implement tasks related to the development of the city's land strategy. The work program will clearly indicate the roles and responsibilities of all agencies involved in the strategy effort and establish the specific content and deadlines for each task.

Legal and Regulatory Framework

Institutions and instruments that have an immediate impact on the operation of the city's land markets should be focussed on furthering the principles of equity, efficiency, flexibility and community participation. The general aim should be to help all citizens to gain access to affordable and appropriately located land. Adequate security of title and the right to develop one's property within the basic rules of health and safety should be extended to the city's population.

Review National Land Laws

Many of the laws related to local land development and management originate at the national level. A thorough inventory and review will be made of these laws in order to identify areas of decision making flexibility at the local level. The analysis will include recommendations for changes in these laws that will help improve the delivery of land in the city as it develops more open land markets.

Review Regional and City Regulations

A similar review will be conducted of regional and city regulations that have an impact on the servicing and delivery of land. Existing bottlenecks in permitting procedures will be identified and measures proposed to reduce their costs in terms of time and money. Appropriate incentives and disincentives to land development will be proposed and recommendations made concerning their application by the city.



Assess Current Application and Performance

The current application and performance of both national and local level laws and regulations will be thoroughly assessed. The existing regulatory framework will also be evaluated in terms of its nature, scope, purpose and implications for urban and economic development. Recommendations will be made to address current deficiencies and to improve future performance by addressing issues that relate to:

- ! Appropriate functions to be undertaken by central and local government.
- ! Development of a practical framework and practices for consultation and dialogue with the private sector.
- ! Development of more user-friendly, expert and speedy systems of adjudication.
- ! Institutionalization of more relevant regulatory systems and codes of law for land and housing development.
- ! Heightened awareness among bureaucrats, lawyers and professionals concerning their responsibilities towards the community in terms of land and housing development.

Planning Framework

Planning is an essential tool to encourage and control desired development. Unfortunately, the traditional master planning process based on “survey-analysis-evaluation-plan-implement” has been too rigid to relate to the real ways in which cities develop. A new approach to planning is required that will be more flexible and responsive to market conditions and private sector initiatives. Some of the key tasks to be carried can be described as follows.

Analyze Existing Land Use

Efficient land use patterns result from an effective combination of market mechanisms, public investments and planning. An up-to-date map of actual land use within the city is needed to determine the current amounts of urbanized, residential, industrial, commercial and vacant land. This map should be compared with the official land use map in order to illuminate the particular problems of previous land use policies and programs.

Review Population and Economic Data

Data on population density and growth within the city are required to project future needs for serviced residential land. Data on the location and intensity of economic activity are also required to project future land needs for industrial and commercial use. Basic data on housing and economic activity will be useful to the development of all city-based strategies.

Analyze Vacant and Land Capable of Development

A thorough study of vacant land within and around the city is extremely important since most new development will take place within these areas. The initial determination to be made is whether or not the physical and environmental characteristics of the site allow any development at all, and, if so, what kind of improvements can be reasonably provided.

A more detailed assessment of vacant properties, both infill areas within the built up area of the city and unserviced tracts of land on its periphery, can be made to determine the type of development to be supported. This more detailed assessment should consider the site's:

- physiographic features;
- man-made improvements;
- accessibility;
- geology, soil type, bearing capacity and plant mediums;
- topography including contours and slopes;
- city scape; and
- land values.

Analyze Environmental Constraints and Opportunities

A careful environmental analysis should precede any decision to assign any type of development to a particular site. A land suitability map should be produced for the city that isolates areas with severe development constraints and indicates both the positive and negative characteristics of developable areas. Sites where new types of development can and should take place should be identified and classified.

This environmental analysis and mapping process should include:

- ! Identification and mapping of environmental constraints (i.e. hazard, law or regulatory prohibition and social or professional values) that are likely to limit or endanger particular kinds of development.
- ! Discovery of environmental opportunities or conditions that can be especially appropriate for particular kinds of activities or development.
- ! Prediction of environmental impacts or changes in environmental conditions that are likely to result from proposed actions.

Analyze Development Standards

The establishment of affordable development standards is a major land development issue and one that will become increasingly important as more private sector development and full cost recovery become the norm. The emerging situation will require a major commitment to the establishment of practical and achievable standards that can effectively balance affordability and access requirements with the broader community issues of sound planning and effective environmental protection. The impact of regulatory controls on land development should be considered very carefully, with cost and performance criteria forming the basis for the establishment of new standards.

Analyze Infrastructure Provision and Capacities

Poor infrastructure conditions produce dramatic reductions in economic productivity and activity. Unreliable infrastructure services not only add to the cost of doing business, but also create worker dissatisfaction and discourage private sector investment. The basic provision and condition of infrastructure networks and services should be mapped for the entire city area and its immediate surroundings. The capacity of these networks and the overall supply of water, electricity, gas etc. should be evaluated and quantified.

Financial Framework

Identify Property Ownership

A simplified land ownership map (without any legal standing) should be developed for planning and investment purposes. Simplified categories of ownership, for example, should include: city owned land, state owned



land, enterprise owned land, privately owned land and land with multiple or unclear ownership.

Establish Land Value Map

A land value and transaction map should be established from a number of sources of continual information. Initial focus should be placed on those areas that are most likely to be developed in the near future and that have a certain capacity to attract private investment.

Analyze Infrastructure Costs

The costs of various infrastructure networks and services should be determined and analyzed in order to identify potential savings in the supply of infrastructure and services. Particular attention should be given to cost savings that can be achieved through the use of local labor and materials.

Evaluate Property Tax Performance

Existing data on property values, tax assessments, payments and receipts should be collected, analyzed and mapped. Efforts should begin with those areas that have sufficient data to generate necessary insights into key property tax issues.

Evaluate Other Cost Recovery Mechanisms

The performance of other mechanisms for land cost recovery available to the city (e.g. user fees, special payments etc.) should be evaluated and recommendations made concerning their future application.

STRATEGY DEVELOPMENT

The development of the city's land development and management strategy will follow a strategic planning process which involves the identification of strategic issues, definition of goals and the adoption of specific management tools to implement the strategy.

Conduct Land Strategy Workshop

A second land strategy workshop will be held once all of the background data have been collected and analyzed. The analysis of this data will make the broad outlines of the city's land development and management strategy more apparent.

Finalize Strategic Land Issues

A list of the critical issues affecting the performance of land markets within the city will be presented at the workshop, discussed and finalized for inclusion in the studium and the overall strategic development plan for the city. The clear definition of these issues will help to ensure that the proposed land strategy reflects the priorities of the city and is firmly grounded in reality.

Identify Strategic Goals

The Land Working Group will identify the strategic goals for the land strategy and present these goals for city approval. They may include, for example, more transparent and accessible data on the city's land markets, better coordination between infrastructure provision and private sector initiatives, development of a set of land, finance and infrastructure tools

that the city can use to encourage and discourage land development in different areas, and the development of a more pro-active approach by the city in its overall development. The result will be more stable and transparent land markets that will increase private sector development. Once the city's basic goals have been identified they will be presented to the city council for approval.

Elaborate a City Land Development and Management Strategy

The data and discussions developed as a result of this action plan will lead to the elaboration of a land development and management strategy for the city that is based on a productive balance and division of labor between the public and private sectors. The strategy will include:

- ! Quantitative land development targets for different land uses over the next several years.
- ! Clear definition of institutional roles and responsibilities for both public and private sector.
- ! Quantification of resources in the city's Capital Investment Program required to implement the strategy.
- ! Definition and use of tools to encourage or discourage land development.
- ! Means to monitor the implementation of the land strategy and execution of institutional responsibilities.

Adopt Land Management Tools

The presentation of a complete list of land development tools can play a key role in creating a positive environment for the consideration of land development alternatives by focusing on opportunities rather than on constraints. The Land Working Group will identify the most appropriate dynamic spatial planning "tools" to resolve the city's land development issues. These land management tools will include development incentives and disincentives related to land, infrastructure and finance. Their application will open up lines of communication and transform the current planning process from a reactive one to a proactive one.

A set of appropriate land management tools will be adopted by the Land Working Group and the city.

Produce Investors Guidebook

An investors guidebook will be produced to encourage both foreign and local investment in land. This guidebook will use the guidebooks from other cities as examples and attempt to improve upon their presentation. Previous guidebooks have covered such topics as: setting up a company in Poland; purchasing real estate; obtaining building permits; information on taxation; explanation of incentives for investors; description of local government and state administration bodies; local institutions providing business support; city departments and key addresses.

STRATEGY IMPLEMENTATION

This part of the Action Plan will be concerned with initiating the implementation of the strategy and developing some initial hands-on experience in how it can work. Activities will include the: identification of key actions to be started; coordination of these actions with the city's Capital Investment Plan; adoption of the Action Investment Plan; and the start of implementation.

Identify Key Actions

A number of key actions will be identified and proposed for financing within the city's Capital Investment Plan. Particular attention will be given to the identification of strategic development areas where the city could apply various tools to encourage specific types of development.

Coordinate Actions with City Investment Plan

The implementation of key actions will be coordinated with the city's Capital Investment Plan.

Adopt Action Investment Plan

The Land Working Group will work with the city's financial officer to finalize the action investment plan and present it to the City Council for approval .

Land Development and Management

Three areas of activity are planned for immediate technical assistance in land development and management to the city of Ostrow Wielkopolski. They involve assistance to the city in:

- ! Establishing the necessary institutional, legal and planning frameworks for efficient land development and management.
- ! Developing an overall land development and management strategy that makes best use of existing city strengths and potentialities.
- ! Outlining an action investment plan that can become an important part of the city's Capital Investment Program.

The implementation of these technical assistance activities will also help the city to establish a strategic planning process that can be applied to other elements of the required studium and city plan as well.

Objectives

Major objectives related to activities that focus on establishing an overall framework for the land strategy are:

- ! To establish a Land Working Group made up of public and private sector participants that can provide data, contribute to decision making and promote the implementation of the adopted land development and management strategy.
- ! To identify the main data requirements for effective land management and the means to share this data with all those involved in land.
- ! To make the legal and regulatory framework for land delivery and management more responsive to the city's vision of its future and to increasing private sector initiatives.
- ! To make the planning framework more flexible and responsive to citizen and business needs and decision making.
- ! To initiate measures that will lead to financially sustainable land development.

Major objectives related to activities that focus on the development of a land management strategy are:

- ! To reach basic agreement on the strategic issues, goals and strategy approach for land.

- ! To outline a practical land development and management strategy for the city.
- ! To adopt a practical set of land, finance and infrastructure measures that can be used as tools to encourage or discourage specific types of development in specific locations.

Major objectives related to activities that focus on initiating the actual implementation of the land management strategy are:

- ! To identify key actions to initiate the land strategy.
- ! To coordinate these actions with the Capital Investment Program.
- ! To adopt the resulting land investment plan.

Results

The most important results in terms of the strategy framework will be better public-private sector coordination and cooperation in land development, greater awareness of land development possibilities as the city moves towards more community participation in decision making and a market based economy, and a better flow of land related information to both public and private sector parties.

The most important results in terms of the land development and management strategy will be more stable and transparent land markets that will increase private sector development and improve equity, particularly in residential development.

The most important results in terms of the land action and investment plan will be the realization of actual projects that will show the value of the new, more dynamic approach to land development.

A manual outlining the basic process that was followed will be produced at the end of the technical assistance period. This manual will be made available to other, similar Polish cities to help them develop an effective strategy for land.

SCHEDULE OF EVENTS, REQUIRED RESOURCES AND DELIVERABLES FOR USAID LAND MANAGEMENT ASSISTANCE TO THE CITY OF OSTROW WIELKOPOLSKI

Events	Start	End	Resources & Responsibilities	Products, Services, Tools
STRATEGY FRAMEWORK				
<i>Institutional Framework</i>				
• Identify Land Stakeholders	ASAP	Apr 7	City Development Dept. (CDD)	• List of stakeholders
• Establish Land Working Group	ASAP	Apr 11	CDD, City Architect (CA)	• Working group formalized
• Review Agency Mandates	ASAP	Apr 11	Land Working Group (LWG), CA	• Technical Memorandum 1
• Establish Data Needs and Links	ASAP	Apr 17	LWG, City Info (CI), PADCO/CREI (PC)	• Signed LWG Agreement
• Workshop on Issues and Responsibilities	Apr 17	Apr 18	LWG, PC	• Workshop and Proceedings
• Finalize and Adopt Work Program	Apr 13	Apr 18	LWG, Mayor, PC	• Signed LWG Agreement
<i>Legal and Regulatory Framework</i>				
• Review National Laws	ASAP	Apr 14	CA, City Legal (CL)	• Technical Memorandum 2
• Review Regional and City Regulations	ASAP	Apr 14	CA, CL	• Technical Memorandum 2
• Assess Application and Performance	Apr 14	Apr 17	CA, CL	• Technical Memorandum 2
<i>Planning Framework</i>				
• Analyze Existing Land Use	Apr 21	Jun 13	CA, PC	• Land Use Map and Report
• Review Population and Economic Data	Apr 21	May 23	CI, CDD	• Technical Memorandum 3
• Analyze Vacant and Developable Land	Apr 28	Jun 13	CA, PC	• Vacant Land Map and Report
• Identify Environmental Opportunities	Apr 28	May 23	CDD, CA, PC	• Technical Memorandum 4

Events	Start	End	Resources & Responsibilities	Products, Services, Tools
<i>STRATEGY FRAMEWORK (Continued)</i>				
<i>Financial Framework</i>				
• Identify Property Ownership	ASAP	Jun 13	City Surveys (CS), CDD, CA	• Property Map and Report
• Establish Land Value Maps	ASAP	Jun 13	CS, CDD, CA, PC	• Land Value Map and Report
• Analyze Infrastructure Costs	Apr 28	May 23	CW, CDD, CA, City Finance (CF)	• Technical Memorandum 5
• Evaluate Property Tax Performance	ASAP	May 23	CF, CDD	• Technical Memorandum 6
• Evaluate Cost Recovery	ASAP	May 23	CE, CF, Utilities (U)	• Technical Memorandum 6
<i>STRATEGY DEVELOPMENT</i>				
Conduct Land Strategy Workshop	Jun 16	Jun 18	LWG, CDD, PC	• Workshop and Proceedings
Finalize Strategic Land Issues	Jun 16	Jul 14	LWG, CDD, PC	• Land Strategy Report
Identify Strategic Goals	Jun 16	Jul 14	LWG, CDD, PC	• Land Strategy Report
Outline City Land Management Strategy	Jun 16	Jul 14	LWG, PC	• Land Strategy Report
Adopt Land Management Tools	Jun 16	Jul 14	LWG, CF, CS, PC	• Land Strategy Report
Produce Investors Guidebook	Jul 17	Sep 16	LWG, CA	• Land Investor Guidebook
<i>STRATEGY IMPLEMENTATION</i>				
Identify Key Actions	Aug 21	Sep 16	LWG, CA, CF	• Action Plan and Budget
Coordinate with CIP	Aug 21	Sep 16	LWG, CA, CF	• Action Plan and Budget
Adopt Investment Plan	Aug 21	Sep 20	LWG, CF, City Council	• Action Plan and Budget

**CONTRIBUTION TO THE HOUSING MANAGEMENT AND DEVELOPMENT
COMPONENT OF THE ACTION PLAN FOR THE PILOT LGPP PARTNER CITY:
OSTROW WIELKOPOLSKI, POLAND**

HOUSING SECTOR TECHNICAL ASSISTANCE

Two areas of activity are planned: an assessment of housing demand feeding into preparation of a housing strategy (and land strategy), and preparation of a financial model for MZGM.

The President has also asked for a recommendation on the appropriate place in the gmina organizational structure for the function of monitoring housing and proposing housing policy. This issue can be addressed within the housing strategy process.

Objectives

A housing strategy will be prepared within the framework of the City Development Strategy exercise. The objective is to identify actions to be taken by the gmina to improve availability of housing and housing services for gmina residents. Actions may include investment, regulatory reform, organizational restructuring or other activities undertaken independently or in collaboration with private and non-government partners. An assessment of housing demand will be undertaken to provide information for the housing strategy process, and to other strategic planning groups such as Land and Infrastructure.

A financial model of the MZGM will be prepared, including a selection of financial and management indicators. There are several objectives:

- ! To project revenues and expenses to the year 2005 and beyond, showing the impact of rent increases and other changes on the financial health of the MZGM.
- ! To identify organizational and procedural changes which might improve the performance of the MZGM.
- ! To establish a selected set of performance indicators for internal management and reporting to shareholders.

SCHEDULE OF EVENTS

Events	Start	End	Resources & Responsibilities	Products, Services, Tools
<i>Housing Demand & Strategy</i>				
Preparation: - Assign Working Group - Assemble info on housing stock - Identify key stakeholders	ASAP	4/14	Working Group Promotion Dept. MZGM PADCO	List of Data/Info Requirements List of Stakeholders (& contacts) Database(s) & Information
Design housing demand and preference survey method(s)		4/14	Working Group PADCO	Request for Proposals
Conduct survey(s) & analyze findings, prepare report & presentation	4/14	5/26 (day before S.I. Workshop)	Private Firm or Institute	Report Presentation
Strategic Issues Workshop	5/27 ?	5/28 ?	Working Group Key Stakeholders Survey Firm PADCO	Statement of Strategic Issues and Priorities
Development of tools, programs, options etc.	(day after S.I. Workshop)	6/23	Working Group PADCO	(inputs for 2nd workshop)
Action Plan Workshop	6/24	6/25	Working Group Key Stakeholders PADCO	Housing Action Plan
Packaging tools & case study for replication.		8/16	PADCO	Case Study
<i>MZGM Financial Feasibility & Model</i>				
Design financial model & indicators	3/21	4/14	MZGM Staff PADCO	Outline of Model

Events	Start	End	Resources & Responsibilities	Products, Services, Tools
<i>MZGM Financial Feasibility & Model (Continued)</i>				
Review income & expense structure, identify key variables controlling financial performance, determine cost centers and aggregate income & expenses accordingly. Build model of financial and management performance indicators.	4/18	5/30	MZGM Staff PADCO (discuss whether this should be done by person/team evaluating Holding Company)	Financial & Management Performance Model
Evaluate rent strategies, organizational restructuring, and property management alternatives. Use the model to assess and project the consequences for MZGM through 2005.	5/30	6/30	MZGM Staff PADCO	Projections of income and expense, performance indicators.
Recommend specific actions to achieve financial viability.		6/30	MZGM Staff PADCO	Recommendations
Package model, case study for replication.		8/16	PADCO	Model, Case Study

RESULTS

Housing Strategy. Better targeting of limited public resources for housing. Increased use of non-budget resources for housing production and provision of housing services.

MZGM Performance Audit. Improved capacity to assess and project the impact of rent increases and other management, budget and investment decisions. Improved capacity to demonstrate the impact of decisions to shareholders and stakeholders.

DRAFT OW HOUSING WORK PLAN

Financial and Performance Indicators for MZGM, Modeling of Income and Expense

The MZGM seeks the ability to predict the financial impact of various management decisions in areas such as rent setting, administration of housing allowances, and alternative scenarios for investment in repairs. Projections should extend at least to 2005, beyond the lifting of rent controls. The resulting information will be used to improve operating decisions with the ultimate goal to assure the long-term financial health of the enterprise. MZGM staff also expect that the financial analysis will reveal possible organizational changes which would improve performance against financial and other indicators.

Identify Cost & Revenue Centers

<p>Identify cost/revenue centers. Divide the functions/operations of the MZGM into separate units for the purpose of accounting. For example:</p> <ul style="list-style-type: none"> -- residential property management -- commercial property management -- provision of communal housing -- maintenance services 	<p>Identify cost/revenue centers. Divide the functions/operations of the MZGM into separate units for the purpose of accounting. For example:</p>	<p>2 days in week of April 21</p>	<p>TASK LEADER: Municipal Housing Expert</p>
<p>The choice of centers should reflect the essential functions performed by MZGM, but each center should be defined as an operation which could theoretically be treated as a separate business entity. This will make it easier to determine whether or not each functional area is financially self-sufficient, and will make it easier in the future to evaluate the potential for privatizing any center.</p>	<p>The choice of centers should reflect the essential functions performed by MZGM, but each center should be defined as an operation which could theoretically be treated as a separate business entity. This will make it easier to determine whether or not each functional area is financially self-sufficient, and will make it easier in the future to evaluate the potential for privatizing any center.</p>	<p>4 days, TBD</p>	<p>CCN: Municipal Housing Expert (M.Majrchzak x 2 days) EXPERTS: Business Planning & Finance Expert (M.Szpak, 2 days) MZGM: 4 days, TBD</p>
<p>Assign all costs and revenues to the centers for the recently completed financial year. Pro-rate or otherwise allocate general and administrative costs to the centers. Make a year-end income and expense statement aggregated according to the centers.</p>	<p>Assign all costs and revenues to the centers for the recently completed financial year. Pro-rate or otherwise allocate general and administrative costs to the centers. Make a year-end income and expense statement aggregated according to the centers.</p>	<p>2 weeks, end April - early May</p>	<p>TASK LEADER: MZGM Chief Financial Officer</p>
<p>Analyze the results to determine which centers are net revenue generators or net losers. Identify explicit cross-subsidies which have been operating in the past, for example where excess revenues from one center are specifically assigned to another functional area.</p>	<p>Analyze the results to determine which centers are net revenue generators or net losers. Identify explicit cross-subsidies which have been operating in the past, for example where excess revenues from one center are specifically assigned to another functional area.</p>	<p>Chief Financial Officer (4 days) Chief Accountant (4 days)</p>	<p>CCN: Business Planning & Finance Expert (M.Szpak, 2 days) EXPERTS: Chief Financial Officer (4 days) MZGM: Chief Accountant (4 days) COOP FUND: Business Planning & Finance Expert (2 days)</p>

<p>Recommend how the accounting system of the MZGM should be modified to reflect the cost-center accounting approach.</p>	TIMING:	During first 2 weeks of April
	TASK LEADER:	Business Planning & Finance Expert
	CCN EXPERTS:	Business Planning & Finance Expert (M.Szpak, 2 days)
	MZGM:	Chief Financial Officer (1 day) Chief Accountant (1 day)
	COOP FUND:	Business Planning & Finance Expert (2 days)
<p>Project Costs and Revenues</p> <p>Identify Management Decisions Which Affect Costs & Revenues.</p> <p>The aim of this activity is to identify significant "controls" which are within the grasp of the MZGM. "Significant" means that the control can have an appreciable impact on either costs or revenues, and thus on financial performance. For example, significant savings might result from a relatively minor change which affects a large budget item, or from a major change on a smaller item.</p> <p>The restructured income and expense statement should provide a good framework for this discussion. The output should be a list of the main controls (decision areas) for each cost center.</p> <p>During this exercise it will be useful to record not only the list of "controls" but also any recommendations for cost savings or increasing revenues.</p>	EXPAT:	M.Brown (1 day on RFS 44)
	TIMING:	First half of May
	TASK LEADER:	M.Brown
	CCN EXPERTS:	Municipal Housing Expert (M.Majrchzak, 2 days) Business Planning & Finance Expert (M.Szpak, 2 days)
	MZGM:	4 days, TBD
	COOP FUND:	Municipal Housing Expert (2 days) Business Planning & Finance Expert (2 days)
	EXPAT:	M.Brown (2 days on RFS 44)

<p>Project Costs and Revenues. For each of the centers, develop a model to project costs and revenues. This will likely be in the form of a spreadsheet for each cost center, in which each of the cost and revenue items is projected over the period. Necessarily, different techniques will be needed to develop each projection and they will embody different levels of complexity depending on the nature of the activity and the controls available to the MZGM.</p> <p>The most effort should be devoted to develop projections or models to project the "significant" controls identified above. Presumably these will be residential and commercial rents, subsidies through housing allowances, and cost of maintenance and repairs. The existing "Housing Management MIS" should be evaluated jointly with MZGM staff to assess how well it can serve these tasks.</p> <p>Summarize projected costs and revenues for all centers in a single summary sheet or simple reporting format including charts. The "enterprise financial conditions model" being developed by UIC in Bielsko-Biala (to be applied in Ostrow) should be evaluated for its applicability to this task, and adapted if feasible.</p> <p>Several scenarios will be developed using realistic values in order to test and demonstrate the techniques and to train counterparts. For example, to show the impact of rent increases on the finances of the enterprise and on housing allowances through 2005.</p>	<p>Performance Indicators</p> <p>A set of performance indicators will be developed with MZGM as a tool to set targets and monitor performance over time. They should reflect the main "controls" and management decisions available to the enterprise.</p> <p>Guidelines produced by British Know How Fund, and work done by PADCO in Szczecin, should be reviewed as a starting point for this task.</p>	<p>TIMING:</p> <p>May and June</p>	
		<p>TASK LEADER:</p> <p>M.Brown</p>	
		<p>CCN EXPERTS:</p> <p>Business Planning & Finance Expert (M.Szpak, 2 days) Rent & Housing Allowance Expert (10 days) Housing & Inspections Expert (A. Ga³¹zka, 7 days) Spreadsheet/Database Programmer/Analysts (25 days)</p>	
		<p>MZGM:</p> <p>Chief Financial Officer (TBD) Chief Accountant (TBD) Computer Spreadsheet/Database Operator (TBD) Other Senior Staff (TBD) Inspectors (TBD)</p>	
		<p>COOP FUND:</p> <p>Rent & Housing Allowance Expert (10 days) Business Planning & Finance Expert (4 days) Housing & Inspections Expert (7 days)</p>	
		<p>EXPAT:</p> <p>M.Brown (5 days under RFS 44) Rent & Housing Allowance Expert (S.Merrill, 3 days) Housing Management MIS Expert (A.Phipps, 10 days)</p>	
		<p>TIMING:</p> <p>Late May</p>	
		<p>TASK LEADER:</p> <p>Municipal Housing Expert</p>	
		<p>CCN EXPERTS:</p> <p>Municipal Housing Expert (M.Majrchzak, 5 days) Business Planning & Finance Expert (M.Szpak, 2 days)</p>	
		<p>MZGM:</p> <p>Various (TBD)</p>	
		<p>COOP FUND:</p> <p>Municipal Housing Expert (5 days) Business Planning & Finance Expert (2 days)</p>	
		<p>EXPAT:</p> <p>M.Brown, (2 days under RFS 44)</p>	

<p>Performance Reporting</p> <p>Three types of reports will be developed. Particular attention will be paid to assure the clarity of results and assumptions. Present the forms to holding company executives (MZGM/consultant team), discuss.</p> <p>Develop a standardized statement of income and expenditures, as a monitoring tool and as a component of the annual financial report to shareholders. The format must satisfy Polish accounting standards and any requirements of the Holding Company which controls MZGM. It must also reveal a true and clear picture of the financial flows through the cost centers and the cross subsidies which occur.</p> <p>Presentation of performance indicators. A standard reporting format will be developed for the performance indicators. The presentation of indicators should be designed to complement the financial condition reported in the income and expenditure report.</p> <p>Projections of costs and revenues. One or more reports showing results of cost/revenue scenarios, projected through 2005, will be produced. These reports—tools for planning and management decision-making—will show the projected financial health of the enterprise and the cost centers, and the policy assumptions which comprise the scenario.</p>			
	TIMING:	early July	
	TASK LEADER:	Business Planning & Finance Expert	
	CCN EXPERTS:	Business Planning & Finance Expert (M.Szpak, 3 days) Housing Management Expert (M.Majchzak, 2 days) Computer Spreadsheet Expert (5 days)	
	MZGM LOE:	Director Chief Financial Officer Computer Spreadsheet/Database Operator	
	COOP FUND:	Business Planning & Finance Expert (6 days) Housing Management Expert (4 days)	
	EXPAT:	M.Brown (2 days from RFS 44) C.Revels (?)	
	TIMING:	Mid-April	
	TASK LEADER:	MZGM	
<p>Training</p> <p>Selected staff of the MZGM will require basic training in the use of commercial spreadsheet and database software. This should be obtained locally by the MZGM from commercial sources.</p>	CCN EXPERTS:		
	MZGM:	5 key staff members (orientation to spreadsheet & database) Computer Spreadsheet/Database Operator (TBD)	
	COOP FUND:		
	EXPAT:		



The same staff will be receive in-service training in the use of the specific applications (models and reporting tools) developed and installed for MZGM. It is essential for the staff to participate as fully as possible in the development of the models and reports.	TIMING:	(throughout the work)
	TASK LEADER:	
	CCN EXPERTS:	various, LoE for in-service training included above
	MZGM:	Computer Spreadsheet/Database Operator (TBD)
	COOP FUND:	various, LoE for in-service training included above
Replication Materials Procedures and models developed during this work should be sufficiently documented to facilitate replication in other gminas, through a combination of case studies, manuals and application handbooks. Note that some Expat and CCN LoE is already budgeted for preparation of a replication handbook under PADCO contract (planned for Lublin).	EXPAT:	various, LoE for in-service training included above
	TIMING:	April - August
	TASK LEADER:	M.Brown
	CCN EXPERTS:	all above (LoE TBD)
	MZGM:	
	COOP FUND:	
	EXPAT:	M.Brown (3 days from RFS 44) A.Phipps (5 days)

Assessment of Housing Demand and Housing Strategy Preparation

A housing strategy will be prepared within the framework of the City Development Strategy exercise. The housing objective is to identify actions by which the gmina can improve availability of housing and housing services for residents. An assessment of housing demand will be undertaken to provide information for the housing strategy process, and to other strategic planning groups such as Land and Infrastructure. Two tasks for TA in the Pilot LGPP are to design and conduct the assessment of demand, and to facilitate the strategic planning exercise.

Assemble Background Information on Economy, Demography, Incomes & Employment, Housing Stock			
<p>Review list of data requirements, coordinate with Land Strategy Working Group (re common information requirements) collection of basic information from existing sources as context for the Strategic Issues Workshop. Identify key stakeholders to participate in Strategic Issues Workshop (housing group).</p> <p>Design the housing demand and preference survey. Conduct survey(s) and analyze findings. The survey requires a reasonable profile of household structure and incomes which should be part of the general preparation for Strategic Workshop and Studium etc.</p> <p>Within this framework the local contractor will conduct in-depth interviews with a small, representative sample of households (individuals or focus group interviews, TBD), to ascertain housing preferences, awareness of market prices and financing mechanisms, ability to finance housing from income, savings and credit mechanisms etc. An additional set of detailed interviews will be conducted with local/regional banks, and local builders and developers.</p>	TIMING:	April - (date of housing strategy workshop)	
	TASK LEADER:	Housing Working Group Leader	
	CCN EXPERTS:	Housing Strategy Advisor (2 days) Dorota Szkodny-Ciolek(? on existing RFS) (4 days)	
	GMINA:	Housing Working Group Members Promotion Department	
	COOP FUND:	Housing Strategy Advisors (2 x 5 days)	
	EXPAT:	M.Brown (2 days on RFS 44)	
	TIMING:	April (design) April - May (conduct & analyze)	
	TASK LEADER:	M.Brown	
	CCN EXPERTS:	Local Subcontractors (Purchase Order)	
	GMINA:	Housing Working Group	
	COOP FUND:	Housing Strategy Advisors (2 x 5 days)	
	EXPAT:	M.Brown (2 days under RFS 44) J.Erbach (3 days, design, review results)	

Strategic Issues Workshop Prepare materials for workshop. Review and packaging of background statistics and information. Preparation of working group discussions.			
	TIMING:	April & May	
	TASK LEADER:	Housing Working Group Leader	
	CCN EXPERTS:	Housing Strategy Advisor (4 days) AWIM (review housing demand information)	
	GMINA:	Housing Working Group	
	COOP FUND:	Housing Strategy Advisors (2 x 2 days)	
	EXPAT:	M.Brown (2 days on RFS 44)	
	TIMING:	1st half of May	
	TASK LEADER:	Housing Strategy Working Group Leader	
	CCN EXPERTS:	Housing Strategy Advisor (1 day)	
Logistical Preparations for Workshop (jointly w. Land Group)	GMINA:	(to be identified by task leader)	
	COOP FUND:		
	EXPAT:		
	TIMING:	1 or 2 days, mid-May	
	TASK LEADER:	Housing Working Group Leader (w. Land Group Leader)	
	CCN EXPERTS:	Housing Strategy Advisor (4 days) Local Contractors (from survey) AWIM	
	GMINA:	Housing Working Group (other stakeholders)	
	COOP FUND:	Housing Strategy Advisor (4 days)	
	EXPAT:	M.Brown (2 days on RFS 44) A.Olson or J.Czarniecki (4 days)	
Housing & Land Strategic Issues Workshop			



Development of Tools, Programs, Options		
Issues identified at the Strategic Issues Workshop will be assigned to stakeholders and gmina counterparts for elaboration of proposals; for example, strategic investment, regulatory reform, organizational restructuring or other activities undertaken independently or in collaboration with private and non-government partners. These proposals to be presented and discussed at the action Planning Workshop.	TIMING:	1 month beginning after Strategic Issues Workshop
	TASK LEADER:	Housing Working Group Team Leader
	CCN EXPERTS:	Housing Strategy Advisor (4 days)
	GMINA:	Housing Working Group Members AWIM, Stakeholders
	COOP FUND:	Housing Strategy Advisor (6 days)
Action Planning Workshop	EXPAT:	A.Olson or J.Czarniecki (4 days) M.Brown (2 days on RFS 44)
	TIMING:	mid-June (1 month after Strategic Issues Workshop)
	TASK LEADER:	Housing Working Group Team Leader
	CCN EXPERTS:	Housing Strategy Advisor (3 days)
	GMINA:	Housing Working Group AWIM, Stakeholders
	COOP FUND:	Housing strategy Advisor (5 days)
	EXPAT:	M.Brown (2 days on RFS 44) A.Olson or J.Czarniecki (4 days)
Packaging Tools & Case Study for Replication		
Packaging Tools & Case Study for Replication	TIMING:	July & August
	TASK LEADER:	M.Brown
	CCN EXPERTS:	Housing Strategy Advisor (10 days)
	GMINA:	(TBD)
	COOP FUND:	Housing Strategy Advisor (5 days)
	EXPAT:	M.Brown (4 days on RFS 44)

DRAFT FOR DISCUSSION

Housing Strategy and Housing Demand Study Data Requirements

1. Why?... purpose of study

- ! Help gmina to invest public resources strategically, effectively... need to know ability of residents to afford their own housing from savings, suitable credit sources etc.
- ! Help gmina to know ability of non-govt to construct housing, better to facilitate non-gov't sector.
- ! Indicate what kind of investment by public sector is needed -- land development, infrastructure.
- ! Provide useful information for alternative housing sector, e.g. TBS, Coops, etc.

2. Results to be reported in what forms?

- ! Profile of current housing stock conditions, tenure and occupancy information etc.
- ! Estimates of hh income available for housing (mean for income quintiles)
- ! Estimates (and projections ?) of kinds of housing in demand assuming hh income estimates, realistic housing finance products, and market costs.
- ! (Other...?)...

3. Data Requirements (incomplete, need to discuss, esp. for overlap with land)

- ! Population
 - Growth rate (sources: natural, migration)
 - Average household size
 - Total number of households
 - New households per year (age structure -> marriages, deaths)
 - Distribution of hh in existing housing stock

! Economy, e.g. growth in economy, labor market, jobs

! HH income, income distribution, define income quintiles

- Profile hh expenditures & savings, identify expenditures for housing
- ? Can we project hh incomes into future years based on projected GDP growth rates, then divide back by number of (projected) households to get projected hh incomes?

! Housing stock topology and prices

- Housing stock profile (a) from census of housing, (b) MZGM stock.
- Number of units
- Age structure of housing
- Unit size
- Provision of amenities: water, sewer, electric, gas, hot water, toilet, shower/bath
- Existing stock quality: acceptable, below standard but upgradable, below standard and not upgradable?
- Construction cost data, typical costs for typical products offered in market (new and existing, according to housing topology)

! Housing finance alternatives

- Income by quintile, mean annual income for quintile, % available for housing, deduct amount for housing services/utilities etc., remainder can be mortgage loan payback... then what is the affordable price given the finance instruments available.
- Then separate those requiring financial assistance from state from those who can afford market rate housing prices.
- Sources of savings for housing anticipated by hh's

! Preferences for housing types

- Satisfaction at present
- Reasons for dissatisfaction
- Types desired: topology, space, amenities